

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM
HELD ON WEDNESDAY, MAY 25, 2011
CITY FINANCIAL TOWER, 201 MERCHANT STREET, SUITE 1935
HONOLULU, HAWAII

ROLL CALL

Trustees present: Mr. Colbert Matsumoto, Chair
Ms. Jackie Ferguson-Miyamoto
Ms. Pili aloha Lee Loy
Mr. Emmitt Kane
Mr. Alton Kuioka
Mr. Jerome Rauckhorst
Mr. Wayne J. Yamasaki
Mr. Kalbert K. Young

Attorney: Ms. Diane Kishimoto, Deputy Attorney General

Staff: Mr. Wesley K. Machida, Administrator
Ms. Kanoe Margol, Assistant Administrator
Mr. Rodney June, Chief Investment Officer
Mr. Vijoy Chattergy, Investment Specialist
Ms. Gerri Konishi, Member Home Loan Assistant
Ms. Wanda Kugiya, Recording Secretary

Guests: Mr. Jeremy Thiessen) Pension Consulting Alliance, Inc.
Mr. David Sancewich)

Ms. Catherine Vlasto) Genesis Asset Managers LLP
(via teleconference call)
Ms. Lisa Smart)

Mr. Robert Akester) Mondrian Investment Partners Limited
Mr. James Brecker III)

Mr. Jacob Pozharny) Quantitative Management Associates, LLC
Mr. Brad Allinson)

Ms. Lily Matias) Capital International
Mr. Victor Kohn)
Mr. Eugene Ohr)
Mr. Michael Bowman)

Dr. Jason Hsu) Research Affiliates, LLC
Mr. Jeff Wilson)

QUORUM

A quorum being present, Chair Colbert Matsumoto called the meeting to order at 8:14 a.m.

(Mr. Kuioka arrived at the meeting at 8:16 a.m.)

EXECUTIVE SESSION

On a motion made by Ms. Ferguson-Miyamoto, seconded by Ms. Lee Loy, and unanimously carried, the Board entered into Executive Session, pursuant to HRS § 92-5(a)(8), to:

- meet with and evaluate priority-listed finalists for Active Emerging Markets International Equity manager and, if appropriate, to select up to two managers.
- consider the Report of the Ad Hoc Committee to Investigate International Active Equities Developed Markets Manager Search Finalists and, if appropriate, to select one manager.
- consider, deliberate, and act on BlackSand Capital Opportunity Fund I, L.P. real estate investment opportunity.

EXECUTIVE SESSION, PURSUANT TO
HRS § 92-5(a)(8), TO CONSIDER,
DELIBERATE, AND ACT ON
BLACKSAND CAPITAL OPPORTUNITY
FUND I, L.P. REAL ESTATE
INVESTMENT OPPORTUNITY

EXECUTIVE SESSION, PURSUANT TO
HRS § 92-5(a)(8), TO CONSIDER THE
REPORT OF THE AD HOC COMMITTEE
TO INVESTIGATE INTERNATIONAL
ACTIVE EQUITIES DEVELOPED
MARKETS MANAGER SEARCH
FINALISTS AND, IF APPROPRIATE, TO
SELECT ONE MANAGER

EXECUTIVE SESSION, PURSUANT TO
HRS § 92-5(a)(8), TO MEET WITH AND
EVALUATE PRIORITY-LISTED
FINALISTS FOR ACTIVE EMERGING
MARKETS INTERNATIONAL EQUITY
MANAGER AND, IF APPROPRIATE, TO
SELECT UP TO TWO MANAGERS

RETENTION OF SPECIAL DEPUTY
ATTORNEY GENERAL FOR
INVESTMENTS

(Ms. Kishimoto left the meeting prior to the presentation by the first finalist.)

(Ms. Kishimoto returned to the meeting prior to the evaluation of the finalists.)

On a motion made by Ms. Lee Loy, seconded by Ms. Ferguson-Miyamoto, and unanimously carried, the Board emerged from Executive Session.

The CIO reported that Courtland Partners recommends that outside legal counsel be retained to oversee the documentation for the BlackSand Capital transaction. The trustees questioned why outside counsel needs to be retained at this stage of the transaction.

The Administrator reported that the Attorney General has approved the Administrator's request for retention of a Special Deputy Attorney General for investments. On a motion made by Ms. Lee Loy, seconded by Ms. Ferguson-Miyamoto, the Board authorized the retention of a Special Deputy Attorney General for ERS investments.

EXECUTIVE SESSION

On a motion made by Ms. Lee Loy, seconded by Ms. Ferguson-Miyamoto, and unanimously carried, the Board entered into Executive Session, pursuant to HRS § 92-5(a)(2), to hear an announcement concerning the evaluation of the Administrator.

ANNOUNCEMENT RE EVALUATION OF THE ADMINSTRATOR

On a motion made by Ms. Lee Loy, seconded by Mr. Kuioka, and unanimously carried, the Board emerged from Executive Session.

ADJOURNMENT

On a motion made by Ms. Lee Loy, seconded by Ms. Ferguson-Miyamoto, and unanimously carried, the Chair adjourned the meeting at 3:16 p.m.

REDACTED

Wesley K. Machida
Administrator

WKM:wsk